Weekly Ag Update

USDA/NASS
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Weather Summary Crop Values Cattle on Feed Dairy Outlook

Available on the Internet: www.nass.usda.gov/nm , or by e-mail (1-800-530-8810 for information)

WEATHER SUMMARY

A weak, but slow-moving storm system trekked across northern Mexico and southern New Mexico, bringing some locations over southern New Mexico their first measurable precipitation in months. Carlsbad broke a string of 115 consecutive days without measurable precipitation. Meanwhile, no precipitation was reported over the northern half of the state. Temperatures for the week were generally near normal to a few degrees above normal.

NEW MEXICO WEATHER CONDITIONS - FEBRUARY 20-26, 2006

Station	Temperature			Precipitation				
	Mean	Maximum	Minimum	02/20 02/26	01/01 02/26	Normal Feb	01/01 02/26	Normal Jan-Feb
Farmington	35.9	63	14	0.00	0.01	0.57	0.40	1.16
Gallup	31.8	63	4	0.00	0.00	0.74	0.38	1.54
Capulin	31.7	62	4	0.00	0.21	0.56	0.36	0.96
Chama	27.6	55	0	0.00	0.38	1.58	1.08	3.35
Johnson Ranch	30.1	58	5	0.00	0.00	0.57	0.06	1.24
Las Vegas	38.1	62	15	0.00	0.00	0.48	0.03	1.08
Los Alamos	35.9	56	17	0.00	0.02	0.80	0.17	1.66
Raton	34.7	65	8	0.00	0.07	0.54	0.22	1.01
Red River	25.7	51	1	0.00	0.35	1.22	0.78	2.29
Santa Fe	35.2	59	13	0.00	0.00	0.69	0.04	1.32
Clayton	38.0	67	11	0.00	0.00	0.31	0.06	0.55
Clovis	45.7	66	17	0.04	0.07	0.51	0.07	0.90
Roy	36.7	62	12	0.00	0.01	0.43	0.06	0.77
Tucumcari	41.5	68	13	0.00	0.00	0.45	0.07	0.73
Grants	33.6	61	9	0.00	0.02	0.51	0.20	1.00
Quemado	32.1	65	5	0.00	0.00	0.72	0.66	1.55
Albuquerque	44.1	62	26	0.00	0.00	0.46	0.04	0.90
Carrizozo	44.4	63	20	0.10	0.10	0.57	0.10	1.17
Socorro	42.6	68	20	0.00	0.00	0.39	0.02	0.78
Gran Quivera	42.1	62	21	0.00	0.00	0.82	0.00	1.52
Moriarty	34.1	63	10	0.00	0.04	0.48	0.04	0.91
Ruidoso	41.2	58	19	0.22	0.26	1.16	0.47	2.28
Carlsbad	51.7	76	25	0.29	0.30	0.35	0.30	0.70
Roswell	46.1	72	24	0.05	0.05	0.46	0.05	0.89
Tatum	46.0	70	19	0.19	0.20	0.50	0.20	0.89
Alamogordo	52.0	64	39	0.33	0.33	0.54	0.33	1.21
Animas	50.4	68	29	0.01	0.03	0.51	0.23	1.19
Deming	49.4	69	26	0.23	0.23	0.46	0.58	1.02
Las Cruces	52.4	69	35	0.16	0.16	0.37	0.18	0.83
T or C	47.9	66	30	0.02	0.02	0.38	0.08	0.84

(T) Trace (-) No Report (*) Correction
All reports based on preliminary data. Precipitation data corrected monthly from official observation forms.

CROP VALUES

NEW MEXICO: The total value of production for principal crops in New Mexico increased by 9.8 percent from the total value in 2004 of $478 million to the 2005 value of $525 million. The total value of principle crops for the entire U.S. decreased by 2.7 percent for the same time period. New Mexico crops that showed an increase in value include sorghum for grain, wheat, peanuts, American-Pima cotton, hay, and potatoes. Corn for grain, cottonseed, and Upland cotton declined in value in 2005.

Value of Production: Selected Crops, New Mexico and U.S., 2004 - 2005

Commodity	Unit	New Mexico Price Per Unit 2004	New Mexico Price Per Unit 2005	New Mexico Value of Production 2004	New Mexico Value of Production 2005	United States Price Per Unit 2004	United States Price Per Unit 2005	United States Value of Production 2004	United States Value of Production 2005
		Dollars		$1,000		Dollars		$1,000	
Corn for Grain	Bu.	2.40	2.50	25,056	24,063	2.06	1.90	24,381,294	21,040,707
Sorghum for Grain	Bu.	3.30	3.70	7,821	9,044	3.19	3.04	843,464	715,327
All Wheat	Bu.	3.15	3.10	24,570	30,132	3.40	3.40	7,283,324	7,140,357
Peanuts	Lb.	0.240	0.250	14,280	15,675	0.189	0.174	813,551	845,873
Cottonseed	Ton	118.00	108.00	6,195	4,644	107.00	95.50	877,372	808,598
Upland Cotton [1/]	Lb.	0.480	0.540	26,035	25,920	0.416	0.469	4,539,616	5,204,245
A-P Cotton	Lb.	0.830	1.050	7,570	11,088	0.878	1.180	314,114	369,874
Alfalfa Hay [2/]	Ton	124.00	128.00	145,824	156,672	98.60	106.00	6,973,371	7,319,756
Other Hay [2/]	Ton	102.00	104.00	19,278	19,656	74.60	76.00	5,238,497	5,171,507
All Potatoes [3/]	Cwt.	5.30	6.80	10,895	11,995	5.67	6.90	2,575,204	2,903,137

[1/] Value of Production based on 480-lb. net weight bale. [2/] Baled hay. [3/] The value of production is the sum of the value of production of the seasonal groups.

Crop Values: Summary by Selected States and U.S., 2004-2005

State	2004 Field & Misc Crops	2004 Fruits & Nuts	2004 Commercial Vegetables	2004 Total Value of Principal Crops	2005 Field & Misc Crops	2005 Fruits & Nuts	2005 Commercial Vegetables	2005 Total Value of Principal Crops
	1,000 Dollars							
AZ	508,321	74,158	861,370	1,443,849	550,443	77,701	859,573	1,487,717
CA	3,157,209	9,371,342	5,904,346	18,432,897	3,070,973	10,308,186	5,181,801	18,560,960
CO	1,043,358	16,944	110,179	1,170,481	1,280,769	19,224	127,258	1,427,251
ID	1,992,010	23,758	54,310	2,070,078	1,985,497	27,916	71,631	2,085,044
KS	3,451,855	3,757	---	3,455,612	3,620,509	4,160	---	3,624,669
MO	3,191,891	13,835	13,144	3,218,870	2,464,948	18,897	14,831	2,498,676
MT	1,245,733	4,473	---	1,250,206	1,360,059	4,094	---	1,364,153
NV	170,371	---	37,408	207,779	210,210	---	33,462	243,672
NM	**291,951**	**89,965**	**96,409**	**478,325**	**313,337**	**111,600**	**100,494**	**525,431**
ND	3,005,268	---	---	3,005,268	3,285,956	---	---	3,285,956
OK	1,161,475	41,360	5,880	1,208,715	1,059,816	28,879	6,815	1,095,510
SD	2,746,381	---	---	2,746,381	2,615,586	---	---	2,615,586
TX	4,413,412	119,464	366,252	4,899,128	4,463,841	224,056	371,275	5,059,172
UT	265,460	17,952	4,092	287,504	290,626	22,599	7,116	320,341
WY	252,435	---	---	252,435	262,902	---	---	262,902
Oth Sts	53,774,142	5,227,153	3,643,672	62,644,967	49,948,940	5,180,617	4,312,249	59,441,806
U.S.	80,671,272	15,004,161	11,097,062	106,772,495	76,784,412	16,027,929	11,086,505	103,898,846

CATTLE ON FEED

NEW MEXICO: Cattle and calves on feed for the slaughter market in New Mexico feedlots with capacity of 1,000 or more head totaled 146,000 head on February 1st, 2006. This was up 3,000 head from January. While placements were down by 2,000 head for a total of 18,000 head placed, marketings held steady at 13,000 head. Other disappearance increased to 2,000 head.

UNITED STATES: Cattle and calves on feed for slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 12.1 million head on February 1, 2006. The inventory was 7 percent above February 1, 2005 and 9 percent above February 1, 2004. Placements in feedlots during January totaled 2.20 million, 16 percent above 2005 and 25 percent above 2004. Net placements were 2.12 million. During January, placements of cattle and calves weighing less than 600 pounds were 530,000, 600-699 pounds were 447,000, 700-799 pounds were 702,000, and 800 pounds and greater were 520,000. Marketings of fed cattle during January totaled 1.81 million, up 2 percent from 2005 and up 2 percent from 2004. Other disappearance totaled 83,000 during January, 14 percent above 2005 but 12 percent below 2004.

Cattle on Feed: Number on Feed, Placements, Marketings, and Other Disappearance, 1,000+ Capacity Feedlots [1/]

	Number on Feed			Placed			Marketed			Other Disappearance [2/]		
				DURING								
	2/1/05	1/1/06	2/1/06	1/05	12/05	1/06	1/05	12/05	1/06	1/05	12/05	1/06
	1,000 Head											
AZ	*328	334	346	*30	35	39	*31	27	26	*2	2	1
CA	525	550	550	59	69	71	63	60	62	6	9	9
CO	1,060	1,080	1,110	175	155	225	185	140	185	10	5	10
ID	270	275	265	37	48	46	61	50	51	1	3	5
IA	465	510	520	77	65	81	60	53	69	2	2	2
KS	2,420	2,500	2,580	475	495	570	450	435	465	15	30	25
NE	2,350	2,430	2,490	425	350	425	360	305	355	15	15	10
NM	**129**	**143**	**146**	**18**	**20**	**18**	**13**	**13**	**13**	**2**	**1**	**2**
OK	350	370	375	55	64	65	52	57	57	3	2	3
SD	205	205	210	41	46	38	26	28	32	2	3	1
TX	2,720	2,920	3,030	425	465	540	395	470	420	10	15	10
WA	190	152	153	30	26	33	29	34	31	1	1	1
Oth Sts	330	335	335	41	46	48	47	43	44	4	3	4
US	***11,342**	**11,804**	**12,110**	***1,888**	**1,884**	**2,199**	***1,772**	**1,715**	**1,810**	***73**	**91**	**83**

* Revised. [1/] Cattle and calves on feed are animals for slaughter market being fed a ration of grain or other concentrates and are expected to produce a carcass that will grade select or better. [2/] Includes death losses, movement from feedlots to pastures, and shipments to other feedlots for further feeding.

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NEW MEXICO AGRICULTURAL STATISTICS
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Dairy Heifer Supplies Up: The January 1 inventory showed almost 4.3 million dairy replacement heifers, up almost 4 percent from a year earlier and more than 6 percent from 2 years earlier. The larger-than-expected rise was triggered by the very high replacement prices of 2004 that encouraged extraordinary measures to keep as many heifers as possible. Even so, the increase may have been aided by particularly low death losses in 2004. The ratio of replacement heifers to milk cows exceeded 47 on January 1, up from less than 46 a year earlier and easily a record.

Almost 2.9 million heifers are expected to calve and enter the milking herd in 2006, up almost 3 percent from a year earlier. These extra heifers should significantly ease tightness in replacement heifer supplies, allowing for the belated replacement of some marginal cows as well as making it easier to fill new barns. Milk cow numbers in 2006 are now expected to increase slightly faster than thought earlier.

Despite the large heifer supplies, strong demand has kept replacement prices high. January's $1,840 per head was more than $200 above a year earlier, and the seasonal decline from last October's record was modest. Some easing of heifer prices is possible this year, but demand for animals to fill new or expanded facilities is projected to stay strong throughout 2006.

Wholesale Prices Slip: Wholesale butter and cheese prices seem caught in the winter doldrums, drifting lower since early January. Increases in milk production remain strong, autumn seasonal declines in commercial stocks were less than expected, but the greatest pressure probably has come from market expectations for the rest of 2006. Traders seem to anticipate large production increases and uncertain demand, making buyers reluctant to seek commitments for later in the year. In addition, this year's date of Easter means holiday buying will be about a month later than in 2005.

Production increases probably will outstrip demand growth, pushing 2006 prices below a year earlier. But, drops in early February cheese prices of 20 cents from a year earlier and almost 40 cents in butter prices might prove to be too large. Slight recovery may occur if production growth slackens as expected and demand stays firm. Even so, prices are not likely to develop very clear patterns until second-half prospects become more settled.

Nonfat dry milk prices also have softened since the end of December. Production has risen seasonally and also (reportedly) from a year earlier. The heavier supplies have encouraged buyers to minimize purchases in hopes of lower prices. Apparently, sluggish buying applies to both domestic and foreign customers. Even so, international powder markets remain tight. Except for the United States, export supplies remain limited, although quantities are seasonally large in Oceania. Meanwhile, import demand for milk powders has stayed basically strong. Unless international prices slip more than expected, nonfat dry milk prices probably will recover somewhat when buyers start to deplete their stocks.